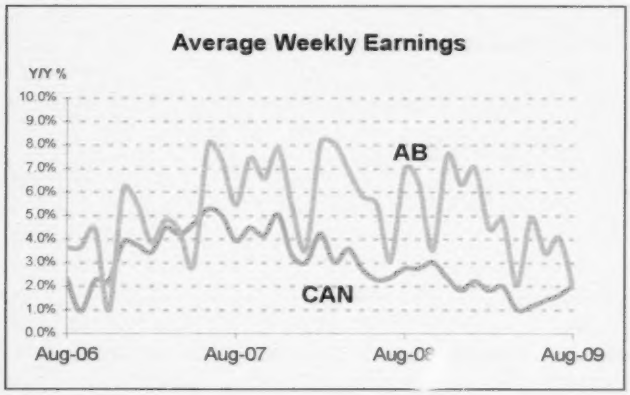
Average Weekly Earnings

Wage growth moderating…

Alberta's average weekly earnings fell slightly in August (-0.2%) to a seasonally adjusted $941.80. Despite the monthly decline, the province continues to have the highest average weekly earnings in the country, well above the national average of $828.14. Alberta's year-over-year wage growth has slowed to 2.0%, below the national rate for the first time since May 2007.



Employment Insurance

Number of EI recipients continue to decline…

In August, 57,650 Albertans received regular Employment Insurance (EI) benefits, down 1.8% from July. The decline is consistent with recent improvements in overall labour market conditions.

On a year-over-year basis, the number of beneficiaries has more than doubled, largely due to the province's very low levels of unemployment prior to the downturn. The largest centres of Alberta continued to experience the fastest rates of increase, about tripling in both Edmonton and Calgary to roughly 19,000 and 22,000 respectively. Despite the large annual increases, the number of beneficiaries still represents only 2.7% of Alberta's total labour force, lower than the national ratio of 4.1%.

Rigs Drilling Activity

Slight improvement in drilling activity…

Although the average number of rigs drilling in Alberta was up 16% (preliminary) from September, activity is still 51% lower from year-ago levels.

⇩	**Canadian Dollar (US¢/CS)**	
	October 30, 2009	92.82
	October 23, 2009	95.17
	2009-10 YTD	89.40
⇩	**WTI Oil US$/bbl**	
	October 29, 2009	$79.87
	October 22, 2009	$81.19
	2009-10 YTD	$65.71
⇧	**Nymex Natural Gas CS/MMBtu** *	
	Near-month Contract	
	October 30, 2009	$5.58
	October 23, 2009	$5.13

*Estimate based on Nymex Futures Market Price

Real GDP

Output declines, but recession likely behind us…

Canadian real gross domestic product slipped 0.1% in August, a touch worse than last month's flat reading. The decline was driven by the energy and manufacturing sectors, offset by gains in the public sector, retail trade, utilities and construction. The modest decline in August GDP does not alter the view that the recession is behind us. However, the recovery is likely to be slow and fragile, tempered by sectors negatively impacted by a high Canadian dollar and sluggish US demand.

U.S GDP

Recession behind, slow recovery ahead…

U.S real GDP increased at an annual rate of 3.5% in the third quarter of 2009, officially ending the worst recession since the Great Depression. The increase primarily reflected the "cash for clunkers" induced surge in personal consumption expenditures (+3.4%), a surge in private investment (11.5%) and favourable support from government expenditures (+2.3%). A slow recovery and slightly more tepid growth is expected in the quarters ahead, as the impact of the fiscal stimulus wanes.

U.S. Housing Market

Home prices up, but recovery remains tenuous…

The S&P/Case-Shiller home price index continued to show improvement as the 20-city composite grew 1.0% (seasonally adjusted) in August, following a 1.2% increase in July. While prices are down 11.4% from August a year ago, the pace of annual declines have moderated since February.

Alberta

CURRENT ECONOMIC INDICATORS

Overall Economy	2007	2008	2009YTD*	May	Jun	Jul	Aug	Sep	Oct
Real GDP (in 2002 $billions)	187.5	187.0	--	--	--	--	--	--	--
% change	3.1	-0.2	--	--	--	--	--	--	--
Nominal GDP ($ billions)	258.9	291.7	--	--	--	--	--	--	--
% change	8.1	12.6	--	--	--	--	--	--	--
Population[1] (000's) (level)	3,513	3,596	3,688		--	3,688	--	--	--
% change	2.7	2.4	2.6	--	--	2.6	--	--	--
Net Interprovincial Migraton[1] (level)	33,809	15,317	23,006	--	--	4,737	--	--	--
Net International Migration[1] (level)	16,372	20,039	20,074	--	--	6,089	--	--	--
Net Non-permanent Residents[1] (level)	14,105	18,536	19,058		--	2,594	--	--	--
Labour Market									
Employment (000's)	1,959	2,013	1,993	1,994	1,990	1,986	1,979	1,982	--
% change	4.7	2.8	-0.9	-1.1	-1.6	-1.6	-1.6	-1.9	--
Unemployment Rate (%)	3.5	3.6	6.3	6.6	6.8	7.2	7.4	7.1	--
Average Hourly Wage Rate	6.0	5.7	4.9	5.0	6.1	4.6	5.9	3.7	--
Average Weekly Earnings[2] NEW!	5.8	6.0	4.1	4.9	3.4	4.1	2.0	--	--
Labour Income[3]	10.5	8.7	3.1	2.4	1.2	--	--	--	--
Price Indices									
Consumer Price Index	5.0	3.1	-0.3	-0.7	-1.6	-1.5	-1.7	-1.1	--
Excluding food and energy	5.0	2.1	1.5	1.7	1.6	1.4	1.3	1.4	--
Non-Res. Const. Cost Index[4] (quarterly)	17.3	13.2	-6.3	--	-11.3	--	--	--	--
Farm Product Price Index	15.1	11.2	-9.4	-8.6	-16.2	-16.6	-17.6	--	--
Crops	434.0	26.2	-23.1	-25.5	-29.0	-26.6	-25.4	--	--
Livestock	0.6	2.3	2.5	0.6	-5.6	-9.7	-14.6	--	--
Household Sector									
Housing Starts (SAAR, 000's)	48.1	29.0	16.7	14.2	20.0	19.1	19.9	22.4	--
% change	-2.1	-39.7	-46.8	-55.6	-12.7	-32.7	-14.6	-7.1	--
New Housing Price Index	22.5	0.7	-9.6	-9.8	-9.8	-9.3	-8.9	--	--
Edmonton	32.1	1.0	-11.7	-11.7	-11.7	-11.1	-11.4	--	--
Calgary	16.2	0.6	-7.6	-7.9	-8.0	-7.3	-6.3	--	--
MLS Average Resale Prices	24.3	-1.4	-5.4	-5.8	-4.6	-2.4	0.2	1.3	--
Edmonton	34.3	-2.0	-5.0	-4.2	-3.8	-3.1	-3.3	0.7	--
Calgary	18.7	-2.9	-7.1	-8.7	-6.3	-5.2	-0.4	1.1	--
Retail Sales	9.3	-0.1	-10.1	-11.0	-7.2	-8.4	-10.3	--	--
New Motor Vehicle Sales	3.3	-7.3	-25.4	-27.8	-22.2	-18.6	-20.6	--	--
Business Sector									
Public and Private Investment[5]	9.1	3.6	-17.2	--	--	--	--	--	--
Mining and oil and gas[5]	0.3	-1.4	-28.2	--	--	--	--	--	--
Rigs Drilling NEW!	-35.2	-2.1	-50.7	-39.2	-56.3	-66.2	-62.7	-54.1	-51.0
Goods Exports (customs based)	5.3	34.3	-39.6	-50.2	-37.1	-46.7	-42.9	--	--
Energy	4.4	42.5	-45.6	-58.7	-40.9	-51.8	-45.6	--	--
Agriculture	9.8	27.8	0.5	-13.7	4.4	-4.1	-7.5	--	--
Total Farm Cash Receipts (quarterly)	11.9	15.2	-3.5	--	-10.3	--	--	--	--
Manufacturing Shipments	1.1	7.0	-23.2	-27.4	-27.0	-32.9	-25.7	--	--
Wholesale Trade	5.0	10.9	-11.9	-20.9	-11.6	-16.8	-22.1	--	--
Building Permits	13.4	-16.5	-34.8	-18.5	-25.2	-29.8	-8.3	--	--
Residential	10.7	-31.5	-35.9	-49.1	-17.8	-9.5	39.3	--	--
Non-residential	17.1	3.7	-33.8	13.0	-31.0	-46.1	-48.5	--	--

Government of Alberta
Finance and Enterprise

* YTD – year-to-date represents the change since the beginning of the year compared to the same period in the previous year.

[1] Quarterly; annual numbers are presented on a census year basis (July 1 - June 30).2009 YTD population numbers are for the census year of 2009

[2] The average weekly earnings series was extensively revised on March 31, 2009 and is no longer comparable with numbers in previous Bulletins

[3] Total income earning in Alberta including wages and salaries, and supplementary income.

[4] Average of Calgary and Edmonton.

[5] 2009 total based on revised investment intentions, 2008 preliminary actuals, and 2007 actuals; 2009 mining and oil and gas based on initial investment intentions.

Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canadian Real Estate Association) and Rigs Drilling (Canadian Association of Oilwell Drilling Contractors).

Alberta

CURRENT ECONOMIC INDICATORS, BY PROVINCE

	Canada	Nfld.	P.E.I.	N.S.	N.B.	Que.	Ont.	Man.	Sask.	Alta.	B.C.
Conference Board Forecast (Summer 2009)											
Real GDP Growth											
2008 (actuals, Statistics Canada)	***0.5%***	-0.1%	0.9%	2.0%	0.0%	1.0%	-0.4%	2.4%	4.4%	**-0.2%**	-0.3%
2009	***-2.1%***	-3.4%	0.8%	0.3%	0.9%	-0.7%	-3.0%	0.8%	-2.7%	**-2.7%**	-2.5%
2010	***2.8%***	0.0%	2.2%	1.2%	2.8%	1.8%	3.1%	1.8%	3.5%	**3.3%**	3.4%
Population (As of July 1, 2009)											
Population	**33,739,859**	508,925	140,985	938,183	749,468	7,828,879	13,069,182	1,221,964	1,030,129	**3,687,662**	4,455,207
Annual Growth Rate[a]	***1.2%***	0.5%	1.1%	0.2%	0.3%	1.0%	1.0%	1.3%	1.6%	**2.6%**	1.6%
Net Interprovincial Migration											
2008 Census Year (July 1, 2007 to June 30, 2008)		-528	-291	-1,794	-908	-11,682	-14,750	-3,703	4,171	**15,317**	14,643
2009 Census Year (July 1, 2008 to June 30, 2009)		2,332	-559	-1,255	-537	-10,666	-18,738	-1,541	4,108	**23,006**	4,673
Employment											
Level Change (000s)[b]	**-328.9**	0.2	-0.7	-4.8	1.4	-54.9	-59.4	2.0	-0.7	**-39.1**	-43.4
Percent Change[b]	***-1.9%***	0.1%	-1.0%	-1.0%	0.4%	-1.5%	-2.7%	0.3%	-0.1%	**-1.9%**	-1.9%
Unemployment Rate, 2009 avg (SA)	***8.2***	15.3	12.4	9.1	9.0	8.5	9.0	5.0	4.7	**6.3**	7.4
Participation Rate, 2009 avg (SA)	***67.3***	59.2	67.8	64.6	64.7	65.4	67.4	69.4	70.2	**74.5**	65.9
Average Weekly Earnings											
August 2009 NEW!	**828.14**	801.62	697.11	736.31	757.88	764.57	853.43	771.59	808.82	**941.80**	802.70
Y/Y Percent Increase[c]	***2.1%***	3.9%	4.3%	3.0%	2.8%	3.8%	1.8%	2.0%	1.6%	**2.0%**	0.2%
2009 Wage Settlements (Jan-Aug)										**2.0%**	
CPI Inflation											
September Annual	**-0.9%**	-0.9%	-1.4%	-0.8%	-0.4%	-0.3%	-1.1%	-0.3%	0.2%	**-1.1%**	-1.2%
Excluding Shelter	**-0.5%**	-0.1%	0.3%	-0.1%	-0.3%	-0.4%	-0.9%	-0.6%	-0.9%	**-0.2%**	-0.3%
Housing Starts (000s)											
SAAR September 2009	**150.1**	2.6	0.7	5.0	3.1	41.0	50.5	4.2	4.4	**22.4**	16.2
Retail Sales											
Percent Change[d]	**-4.9%**	-1.7%	-4.1%	-1.9%	-2.0%	-2.3%	-4.5%	-1.8%	-3.5%	**-10.3%**	-7.6%
2009 YTD Retail Sales Growth	**-5.3%**	1.2%	-2.1%	-2.1%	-2.2%	-2.8%	-4.9%	-2.8%	-3.4%	**-10.1%**	-8.7%
Manufacturing Shipments											
Percent Change[d]	**-19.1%**	-24.2%	-8.0%	-20.7%	-8.1%	-16.6%	-19.1%	-17.2%	-23.6%	**-25.7%**	-18.7%

a. Over the past 12 months
b. September 2009 Y/Y change, unadjusted for seasonal effects
c. Updated to August 2009
d. August 2009 Y/Y change, unadjusted for seasonal effects
SA-Seasonally Adjusted, SAAR-Seasonally Adjusted Annual Rate
Source: Statistics Canada, Canada Mortgage and Housing Corporation and Conference Board of Canada